

OCEANS HEALTHCARE	FINANCIAL HARDSHIP
EFFECTIVE DATE:01/11/2016	SECTION: FINANCE
REVISED DATE:12/1/2016;10/25/2019;10/1/2020, 06/01/2021, 06/15/2024	POLICY NUMBER: FIN-07
APPROVED BY: GOVERNING BODY	PAGE 1 OF 5

SCOPE:

This policy applies to all Oceans Healthcare facilities

Inpatient IOP/IOP+/PHP Support Center

PURPOSE:

This policy is intended to establish criteria to determine the appropriateness of reducing or discounting patient liability amounts and to ensure that any such discounts that may occur are authorized by this policy.

POLICY:

It is the policy of this organization to bill all applicable charges and to make reasonable efforts to collect such amounts in accordance with generally accepted collection practices and procedures, the policies of all contracted payors, the policies of applicable state licensing boards, and all state and federal laws.

If Oceans Healthcare determines that a patient’s financial situation meets the criteria in this policy and that a patient is financially unable to meet their financial obligation, Oceans Healthcare may reduce or discount the patient liability.

Patients who are determined eligible for financial assistance shall not be deferred for medically necessary care. The granting of financial assistance shall be based on individual determination of financial need and will not take into account age, gender, race, ethnicity, social or immigration status, sexual orientation, or religious affiliation.

Under no circumstances will Oceans Healthcare engage in any of the following practices with respect to the waiving or lowering of co-insurance and/or deductibles:

1. Advertise, or in any way communicate to the general public that payments from private insurance, Medicare or Medicaid will be accepted as payment in full for healthcare services provided by Oceans Healthcare or advertise or otherwise communicate to patients or to the general public that patients will incur no out-of-pocket expenses.
2. *Routinely* offer discounts through the use financial hardship applications.
3. Charge Medicare beneficiaries or private insurance beneficiaries different amounts than those charged to other persons for similar services.
4. Fail to collect co-insurance and deductibles from a specific group of patients for reasons unrelated to indigence or managed care contracting, in order to obtain referrals or to induce

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patients to seek care at Oceans Healthcare vs. another provider's practice who does not waive co-pays and/or deductibles.

5. Accept "insurance only" or TWIP (take what insurance pays) as payment in full for services rendered.
6. Fail to make reasonable collection efforts to collect a patient's balance.

PROCEDURE:

1. To ensure that decisions to offer discounts in the case of true financial hardship are made appropriately, such amounts are documented and based upon uniform objective criteria. Criteria Oceans Healthcare will consider include, but are not limited to:
 - a patient's financial resources;
 - a patient's individual or family income; and
 - whether a patient is uninsured.

For purposes of this policy, a patient is uninsured if the patient's services are not covered by a contractually obligated third-party payer. Uninsured patients also include patients with an insurance carrier that does not have a contractual relationship with Oceans Healthcare.
 2. Financial Assistance is available for the following services:
 - All medically necessary inpatient and outpatient hospital behavioral healthcare services provided by Oceans Healthcare.
 - The professional services for providers listed in Attachment A.
 3. Approved eligibility for financial hardship discounts is valid for outstanding patient balances for dates of service 6 months prior and/or 1-year post approval date.
 4. Decisions to discount any fees will be based upon the financial information supplied by the patient in the financial hardship application with proof of income, e.g., payroll stubs, W2, SSI determination, and/or federal tax return. The information on this application will be compared to the organization's policies to determine eligibility for financial hardship discounts. Modifications to previously awarded discounts shall be made if subsequent information indicates that the information provided to the organization was inaccurate.
 5. Patients who receive financial assistance may not be charged more for services than are generally billed to insured patients. Discounted rates for self-pay patients are calculated using averages by state as follows below and demonstrated more fully on Appendix A:
 - [A] Medicare and commercial revenue per day average: Gross revenue per day (Gross charges less system contractual allowances) for the prior year.
 - [B] Calculate the average collection rate: Cash receipts / Gross revenue (Gross charges less system contractals). Reference – Quality of Revenue Waterfall cash receipts analysis
 - [A] x [B] = Self-pay discounted rate per day (rounded)
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6. At its election, when the sole payment Oceans Healthcare receives on a patient's account is from a local or state government source, e.g., a local health district or a community MHMR Center authorized under Chapter 534 of the Texas Health & Safety Code, that is not contractually obligated to pay for the services or has a cap on the services it will reimburse for a given time period, Oceans Healthcare may classify this patient as uninsured, consistent with federal guidance. Upon this election, Oceans Healthcare will apply a 100% discount to any charges remaining on the account after the payment from the local or state government source, on the reasonable assumption that such patients are indigent and have no ability to pay the remaining balance. No Financial Worksheet information is required for this determination of financial need/hardship.
 7. Oceans Healthcare reserves the right to modify the criteria considered for a discount or payment reduction without notice, provided that before such modifications can take effect, this policy will be updated to reflect the modifications.
 8. The criteria used to determine the level of hardship discount is based on the number of members in the patient household and household income in relationship to National Poverty level.
 9. The hospital shall provide a 100% Financial Assistance discount for eligible services to patients whose Family Income is at 200% of the FPL Guidelines or less.
 10. Patients whose Family Income exceeds 200% of the FPL may be eligible to receive discounted rates on a case-by-case basis based on their specific circumstances, such as catastrophic illness or medical indigence, at the discretion of the organization. For exceptions, documentation may be required to qualify for Financial Assistance. Exceptions include, but are not limited to:
 - Expensive medications;
 - Terminal illness; or
 - Multiple hospitalizations.
 11. To determine financial hardship, the following procedure will be performed by the Revenue Cycle Management department:
 - Financial Assistance requests can be made during financial counseling at the facility or by contacting the Customer Service department via telephone, email, fax, or written correspondence unless a patient is deemed uninsured upon the receipt of any payment from a non-contractually obligated state or local government source.
 - The Corporate Revenue Cycle Manager or assigned designee will determine the status of the financial hardship and communicate with the facility financial counselor who will then communicate with patient.
 - Revenue Cycle Management personnel will send the completed financial hardship application and applicable discount transactions to the Corporate Vice President of Revenue Cycle for review and approval.
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12. The Facility shall not pursue any extraordinary collections actions against any patient determined to meet the eligibility criteria under this Financial Assistance Policy.
13. Oceans Healthcare Billing and Collections policy can be obtained online at www.oceanshealthcare.com

External References:

- Medicare Provider Reimbursement Manual Chapter 3, Section 312
- Annual HHS Poverty Guidelines at <https://aspe.hhs.gov/poverty-guidelines->

Appendix A

2021 DISCOUNTED SELFPAY RATES

STATE	DAYS	GROSS CHARGES	SYSTEM ALLOWANCE	GROSS REVENUE	AVG PER DAY	COLLECTION RATE	DISCOUNTED SELF-PAY RATE (PER DAY)
INPATIENT (Medicare & Commercial)							
LA/MS	72,833	110,556,614	(53,149,978)	57,406,636	788	95%	750
TX	62,301	90,124,797	(39,545,893)	50,578,904	812	95%	770
OUTPATIENT (Medicare & Commercial)							
LA/MS	137,629	45,891,300	(21,167,987)	24,723,313	180	95%	170
TX	77,351	26,091,300	(12,788,757)	13,302,543	172	95%	160

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Attachment A: Professional Services Covered by Financial Assistance Policy

All providers in the following practice groups are covered by the financial assistance policy:

- OPGT INC.
- Oceans Mississippi Medical Group, LLC
- Oceans ROG LLC

Providers not employed by these practice groups are not covered under the financial assistance policy.
